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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000766

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TAGS: [ECON](#) [EPET](#) [IZ](#) [KCOR](#) [MOPS](#)
SUBJECT: IRAQ ENERGY COUNCIL ADDRESSES FUEL SHORTAGE

Classified By: Economic Minister Counselor Tom Delare for reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: The National Energy Council (NEC) directed that fuel be moved by rail from Bayji to Baghdad March 9. DPM Chalabi said he would submit draft fuel law to Council of Ministers (COM) to liberalize private import of fuel. NEC requested Ministry of Defense (MOD) increase security of electricity lines to Baghdad. NEC asked MOD to investigate the numerous tanker trucks crossing into Syria at Walid Crossing. END SUMMARY

¶2. (C) DPM Chalabi called a meeting of the NEC on March 7 to assess the fuel shortage and electricity problems in Baghdad. The meeting was attended by the Minister of Trade (MOT) 'Abd al-Basit Mawlud, Acting Minister of Oil (MOO) Hashim al-Hashimi, Minister of Water Resources (MOWR) Abd al-Latif Rashid, MG Sa,ad of the Electricity Protection Security Service (EPSS) of the Ministry of Electricity (MOE), Senior Advisor Adel for the National Dispatch Center of MOE, BG Hassan of the EPSS of the MOE, BG Kamal of the Ministry of Defense (MOD), POLMIL, IRMO, MNF-I, and ECONOFF.

INITIATION OF RAIL MOVEMENT OF FUEL FROM BAYJI TO BAGHDAD

¶3. (C) DPM Chalabi requested IRMO and MNF-I support for using trains to bring gasoline from Bayji to Baghdad beginning on March 9. Rail cars were reported loading at Bayji on March 8. He also asked the Coalition to fly him and the MOO to Bayji to oversee the loading and initial movement of a fuel train. IRMO and MNF-I agreed to support. (COMMENT: We understand that rail shipment of fuel from Bayji has not taken place since the war. This would provide some welcome redundancy to the system, but is opposed by the truckers. END COMMENT)

SECURITY FOR OIL AND ELECTRICITY INFRASTRUCTURE

¶4. (C) BG Kamal reported that the MOD had received information of a potential future attack on refineries in Iraq, no additional details provided. He reported coordination with the MOE for protection of electrical repair crews. The MOE requested security for the major electrical lines to Baghdad, especially the two major 400 KV lines from Bayji. The MOE reported that the lines would be repaired by March 21. DPM Chalabi requested MOD guard the 400 KV electrical lines from Mussaib Power Plant to Baghdad. (NOTE: 4th US Division controls this battlespace and these powerlines are protected by a combination of EPSS, 6th Iraqi Army (IA) Division, and the 17th Strategic Infrastructure Battalion (SIB). END NOTE) The MOO complained that his repair crews could not get access to a military installation

in the vicinity of Tikrit for repairs of a natural gas line. DPM directed MOO to coordinate through the PJCC (Provincial Joint Coordination Center) for access to military facilities.

15. (C) MNF-I reported that progress had been made on securing the linear infrastructure. The 26-inch oil pipeline from Kirkuk to Bayji has been open for 20 days. The 4th Iraqi Army Division and the 101st US Army Division were successfully partnering with the Strategic Infrastructure Battalions (SIBs) in protecting the Kirkuk to Bayji energy corridor. Four more SIBs would be trained in April and four additional SIBs in August. The 16th SIB, stationed south of Baghdad, however, had personnel detained and undergoing interrogation by the Ministry of the Interior as suspects in infrastructure attacks. The 6th and 9th IA Divisions were now responsible for security of the infrastructure in the vicinity of Baghdad (NOTE: The Commanding General of the 6th IA Division was assassinated in Baghdad on March 7. END NOTE).

NO FUEL IN BAGHDAD

16. (C) MOO reported supplies of gasoline and LPG had been exhausted in Baghdad on March 6. Fuel was being trucked into Baghdad from the south at 500,000 gallons per day. (NOTE: Normal consumption of gasoline in Baghdad is approximately 1.25 million gallons per day. END NOTE) Fuel was not being delivered from Bayji to Baghdad, however fuel from Bayji was delivered by truck to other parts of Iraq. Daura refinery, in Baghdad, was not currently producing gasoline due to maintenance problems.

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ELECTRICITY IMPROVING

17. (C) DPM Chalabi said that Iraq had produced 101,000 MWHs of electricity on March 6. This was the highest amount since summer 2005. He restated his goal of producing 6000 MW in the summer of 2006. He said hours of power had increased 20% recently in both Baghdad and nationwide. The Minister of Water Resources stated 767 MW had been produced from hydropower. (NOTE: Water levels have increased due to recent rain and snow in the mountains of Turkey and reservoirs are 95% full in Iraq. END NOTE)

FUEL TRUCKS ON SYRIAN BORDER

18. (C) DPM Chalabi asked the MOD to deploy elements to the Walid Crossing into Syria to check on the reported crossing of 1200 fuel trucks into Syria. He said, "Anyone who is hauling diesel or gasoline should be arrested, as it is illegal to export refined petroleum products out of Iraq." (NOTE: Chalabi announced in a late 2005 NEC meeting that it was illegal to export refined fuel from Iraq during the energy shortage. END NOTE)

TEMPORARY FUEL IMPORT REGULATION TO BE SUBMITTED TO COUNCIL
OF MINISTERS

19. (C) DPM Chalabi asked that a draft copy of the regulation to permit temporary liberalized fuel imports under the CPA legal interpretations be delivered to his office by the US Embassy. (NOTE: We provided this to him on March 8. END NOTE) He said he would submit it for approval to the Council of Ministers to immediately permit legal import of fuel into Iraq by private firms. (NOTE: Embassy will follow up on this issue. A copy of the draft text was provided to

NEA/I ECON. END NOTE)

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